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The Silver Market

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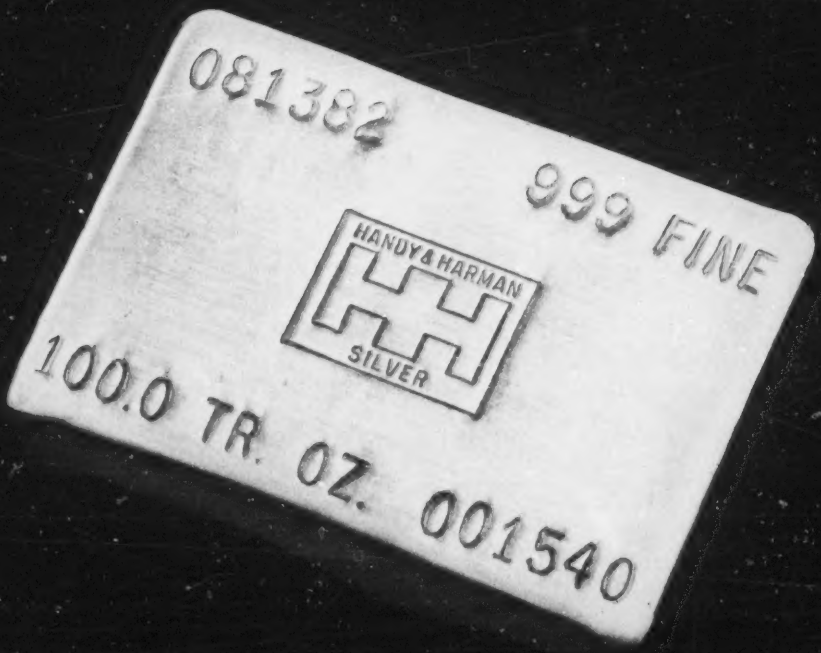
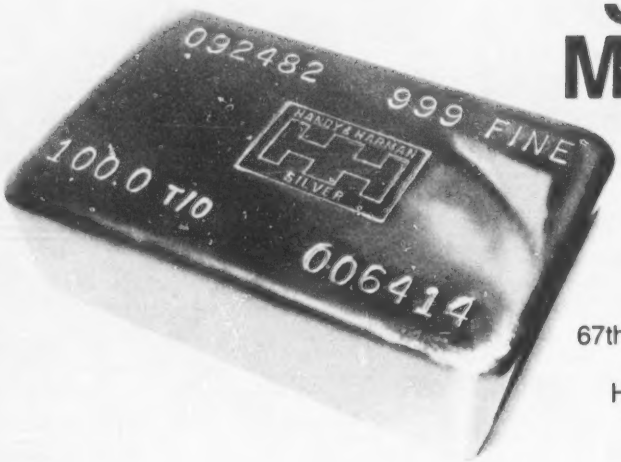
1982



67th Annual Review compiled by Handy & Harman

The Silver Market 1982



67th Annual Review
compiled by
Handy & Harman

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Highlights of The Silver Market 1982

The silver market surely defies prediction, but barring major unexpected developments we believe that conditions exist which might make price fluctuations less volatile than in the past four years.

Furthermore, any improvement in industrial demand in 1983 will be readily accommodated by available supplies, hopefully at prices which will prove to be, on the average, reasonably near recent levels.

We estimate that stocks of silver bullion in the hands of investors and speculators throughout the world increased 35,000,000 ounces during 1982, and that the accumulation now exceeds 930,000,000 ounces.

Silver bullion stocks are not the only source from which industry can draw in the future. There are a number of other significant sources of secondary silver potentially available.

Since mid-1979, silver supplied to the market from new mine production and secondary sources has exceeded industrial demand. We expect this trend to continue for 1983.

This represents a dramatic change from the market conditions which existed during the 25 years prior to 1979. During that period of time, industrial consumption consistently exceeded refining production and the balance was obtained from ever-dwindling above-ground accumulation of bullion and demonetized coin.

World consumption of silver during 1982 for industrial and coinage combined, excluding Communist-dominated areas, increased to 369,000,000 ounces, an increase of approximately 5% from 1981.

Industrial consumption in the United States increased 5% to 122,300,000 ounces as all major categories, except "Electroplated Ware" and "Brazing Alloys", registered gains.

World mine production of silver, excluding Communist-dominated areas, amounted to 265,000,000 ounces during 1982, a decrease of 2% from our revised 1981 figure.

Silver supplied from secondary sources amounted to 129,100,000 ounces in 1982, compared to 154,600,000 ounces in 1981.

The silver price declined during the first half of 1982 and the low of $4.89 was recorded on June 21. Thereafter, an upward price trend developed and carried the price to $11.21 by December 29, 1982.

The speculator and investor have been major market factors for a number of years and still hold the key to the future course of silver prices.

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Review of the Silver Market for 1982

The story of the price of silver during 1982 may be divided into two phases of approximately six months each. The first half of the year was a period of generally declining prices, with the low point in June. Thereafter, a rising trend began and by year-end prices were substantially higher. Considerable buying interest developed during the last half of 1982, apparently as a result of persistent and growing uncertainty about the world's currencies and lower U.S. interest rates. Price fluctuations were substantial, but were, on the whole, less violent than in the three preceding years.

The table on page 28 shows a comparative record of high, low, and average silver prices for both the New York and London spot markets for the past ten years. Prices in the New York market continued to fluctuate widely as in the past several years. The range between the high and low prices was $6.33 in 1982 compared to $8.50 in 1981. The average silver price for 1982 of $7.95 was 24% lower than the comparable amount of $10.52 for 1981. The chart on page 7, which shows monthly high, low and average prices of spot silver from 1973 through 1982 as published by Handy & Harman, demonstrates the volatile nature of the market over the past ten years.

The year opened with the market at $8.02 per troy ounce, and on February 11, 1982 it reached $8.61. The price immediately weakened, resuming the downward trend which had been underway since September of 1980. This trend continued with occasional rallies until the price reached $4.89 on June 21, 1982. This was not only the low for the year, but also the lowest price since February 1978. Thereafter, an upward price trend developed and carried the price to $11.21 by December 29 which was the high for the year.

The reason for the decline and the subesquent recovery in silver prices during 1982 appears to be attributed more to investor and speculator reactions to levels of interest rates than to shifts in the level of commercial demand. Certainly, the recession influenced silver prices during the first half of 1982. However, the higher prices during the last half of the year seem to be the result of speculator reactions to a number of events and had little relationship to industry requirements.

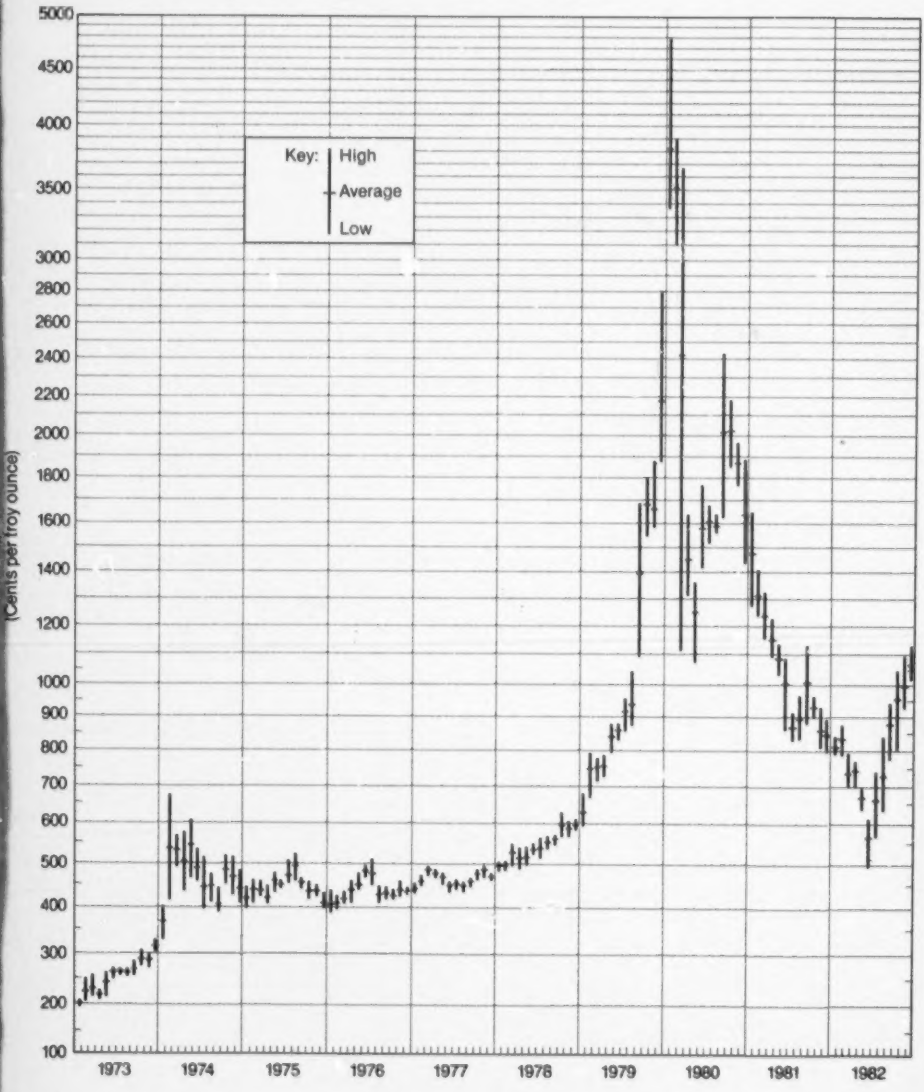
Silver in the United States

The New York Market: Spot prices in the New York market are substantially determined by prevailing quotations on the New York Commodity Exchange, generally referred to as COMEX. The Exchange provides a broad trading market in silver futures contracts, and major suppliers of silver to industrial users, including producers and dealers, base their offering prices on COMEX quotations. As a result, the Handy & Harman price, published at noon each business day, usually reflects the level of prices on COMEX at that time. Unless otherwise specified, all references to the New York price refer to the Handy & Harman quotation.

Price Definition: The price referred to in the above market discussion is the New York Silver Price as published daily by Handy & Harman. The definition of this price is as follows:

> "The daily silver quotation reported by Handy & Harman, in cents and tenths of a cent per troy ounce, is the lowest at which offers can be obtained by Handy & Harman for silver in commercial bar form, in accordance with ASTM Designation: B413-69 Specification for Refined Silver, Grade 99.90 for nearby delivery at New York, in quantities sufficient to meet its requirements."

New York Silver Prices Monthly Ranges



The New York Commodity Exchange designates certain brands of silver which are acceptable as good delivery against contracts on the Exchange, but it does not require conformity to ASTM specifications. It requires only that such silver be no less than 99.9% pure without reference to impurities. The ASTM specifications set maximum limits on impurities, and this is very important for commercial users. Therefore, the price published by Handy & Harman is somewhat different than comparable quotations on COMEX.

Silver Futures: Trading in silver futures on the New York Commodity Exchange increased dramatically during 1982. A total of 2,868,639 contracts of 5,000 ounces each were traded, amounting to 14.3 billion ounces of silver. This represents an increase of 130% from the 6.2 billion ounces traded in 1981. Open interest at year-end amounted to 33,808 contracts, up 22% from 27,780 at the beginning of the year. Stocks in COMEX licensed vaults at the end of 1982 amounted to 90,659,000 ounces, up 17% from the 77,600,000 ounces at the end of 1981.

The Chicago Board of Trade has a 1,000 ounce contract and a 5,000 ounce contract. A total of 77,682 contracts of 5,000 ounces and 775,136 contracts of 1,000 ounces each were traded during 1982. This was equivalent to approximately 1.2 billion ounces of silver compared to 1.3 billion ounces for the year before. Stocks in approved CBT vaults at year-end amounted to 15,820,000 ounces, only slightly higher than the 15,470,000 ounces at the end of 1981.

Industrial Consumption: Consumption of silver for industrial uses in the United States increased nearly 5% during 1982 to an estimated 122,300,000 ounces compared to a revised

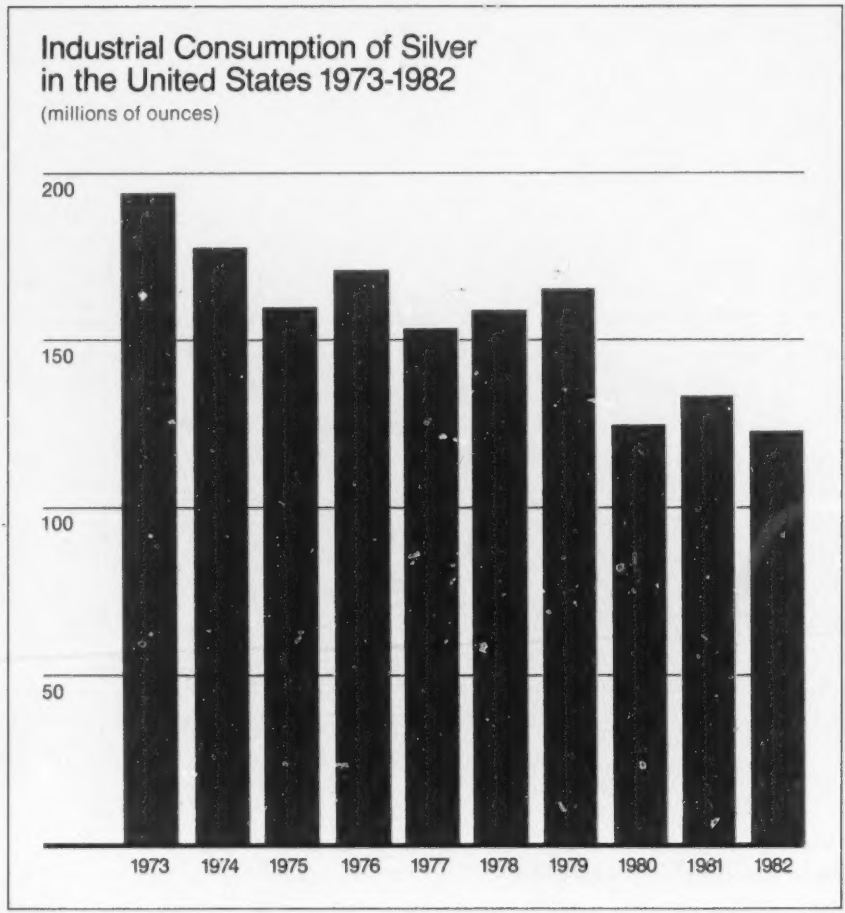


figure of 116,600,000 ounces in 1981. A five year summary of consumption by end-use appears on page 26 in the Statistical Tables.

All major categories except "Electroplated Ware," "Brazing Alloys" and "Catalysts" appear to have registered increases. The largest gain was in the "Sterling Ware" category,

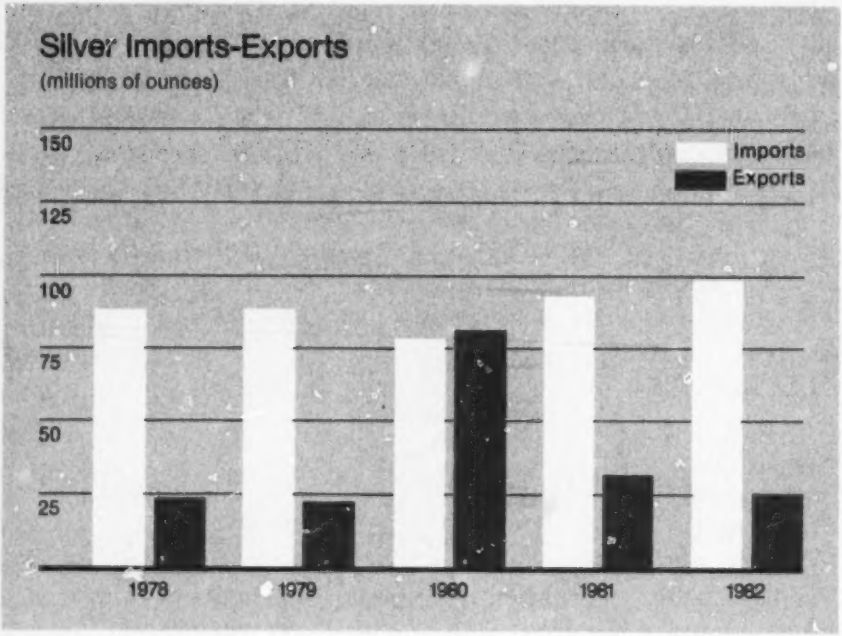
which showed an increase of 3,400,000 ounces over 1981. Other areas of important increases were "Contracts and Conditions" which increased 2,300,000 ounces. Jewelry increased by 1,000,000 ounces to 6,400,000 for the year 1982.

Imports and Exports: Total imports of silver into the United States during 1982 amounted to approximately 99,800,000 ounces, a 6% increase from the previous year. Imports from Canada amounted to 30,600,000 ounces, a 10% decrease from the previous year. Imports from Mexico increased to 25,600,000 ounces in 1982 from 22,100,000 ounces in 1981. Shipments from Peru amounted to 16,000,000 ounces, a decrease of 7,000,000 ounces from the previous year. All other countries supplied close to 27,600,000 ounces in 1982, as compared to only 15,000,000 ounces in 1981.

Exports during 1982 amounted to an estimated 26,000,000 ounces, slightly lower than the 27,900,000 ounces in 1981. Exports to the United Kingdom in 1982 totaled 7,200,000 ounces. This compares with 8,700,000 ounces shipped in the previous year. In addition, approximately 10,700,000 ounces were shipped to Canada, 2,300,000 ounces to Japan, 3,100,000 ounces to West Germany and 2,700,000 ounces to various other countries.

Legislative Developments: On December 21, 1982, the President signed the Continuing Spending Bill which limits the amount of silver available for sale each year from the U.S. Strategic Stockpile to 10 percent of U.S. annual mine production. This new legislation authorizes the General Services Administration to sell three to four million ounces annually based on the current level of U.S. mine production.

The question regarding the sale of the U.S. Strategic Stockpile of 137,500,000 ounces of silver has been under consider-



ation since 1973. During 1981, legislation was enacted authorizing the General Services Administration to sell 105,000,000 ounces over a three year period; however, after two months of offerings, the G.S.A. sold only 2,000,000 ounces. On December 17, 1981, the G.S.A. announced it would stop sales of silver in accordance with the Defense Appropriation Act which called for a halt to the weekly sales until the President completes a study to determine whether there is a surplus of silver in the national stockpile. This study has not been completed; all indications are that there is still strong Congressional opposition to the disposal of the silver stockpile. Meanwhile, this silver continues to be a potential source for industry.

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During November 1981, the U.S. Congress approved legislation calling for the minting of a silver coin to commemorate the 250th birthday of George Washington. The Treasury's Bureau of the Mint may issue up to 10 million of these coins which will contain 90 percent silver and sell for $10.00 each. Approximately 3 million ounces of silver from the U.S. Treasury stocks will be used during 1982 and 1983 for this program.

During 1982 the U.S. Congress authorized a program to sell silver coins to commemorate the 1984 Olympics. Silver for this program will be furnished by the U.S. Treasury, and it is estimated that 15 to 20 million ounces will be used during 1983 and 1984 depending on the success of the program.

Review of Other Markets

World consumption of silver during 1982 for industrial and coinage uses combined, excluding Communist-dominated areas, increased to an estimated 369,000,000 ounces, some 5% over our revised 1981 figure. Industrial consumption was approximately 357,200,000 ounces, an increase of about 4% from the previous year. The increase recorded in all major countries reflected the impact of lower silver prices offset in part by the business recession. Coinage consumption increased to 11,800,000 ounces from 9,000,000 ounces in 1981.

World mine production of silver, excluding Communist-dominated areas, amounted to nearly 265,000,000 ounces during 1982, a decrease of 2% from our revised 1981 figure. Peru, now the world's leading producer of silver, decreased its output in 1982 to 44,400,000 ounces, approximately 5%. Production from Mexico was also lower. Mexico produced 43,000,000 ounces in 1982 compared to 45,200,000 ounces in 1981. This represents the lowest production from Mexico since 1976. Mine production in the United States decreased 12% to

35,900,000 ounces. Canadian production of 38,700,000 ounces was higher than the revised 36,200,000 ounces for 1981.

Supplies of silver from secondary sources continue to flow into the market. The outflow of silver from scrap, demonetized coin, India, and government sources provided 129,100,000 ounces of silver to the market during 1982 compared to 154,600,000 ounces during 1981. Silver from demonetized coin increased to 13,000,000 ounces from 12,000,000 ounces in 1981. Silver from India was 35,000,000 ounces, up slightly from 33,500,000 ounces the previous year. Finally, scrap and other sources provided 81,000,000 ounces in 1982, down substantially from the 105,000,000 ounces in 1981.

United Kingdom: Consumption of silver for industrial uses in the United Kingdom during 1982 amounted to an estimated 20,000,000 ounces, an increase of approximately 8% from 1981. Imports for the year in refined and unrefined form are estimated at 40,000,000 ounces, an increase of 25% from the 32,000,000 ounces reported in 1981. The largest amount of imports during 1982 came from Mexico which supplied approximately 8,200,000 ounces. Other significant sources were the United States, 7,200,000 ounces; France, 4,500,000 ounces; Australia, 5,000,000 ounces; Japan, 2,000,000 ounces; West Germany, 1,500,000 ounces; and other countries, 11,600,000 ounces.

Exports of silver for 1982 amounted to nearly 20,000,000 ounces of which approximately 11,800,000 ounces were shipped to West Germany, 2,700,000 ounces to France, and 3,700,000 ounces to the United States. Silver exported to other countries totaled 1,800,000 ounces.

The daily quotation for prompt delivery issued by the London Silver Market ranged from a high of 685.15 pence, reached on December 29, to a low of 285.10 pence, established on June 21, 1982. In dollar terms the high was $11.11 on December 29 and the low was $4.90 on June 21, 1982.

These prices were based on sterling exchange rates in effect at the time.

West Germany: Industrial consumption of silver in West Germany during 1982 amounted to 33,600,000 ounces according to our estimates. This represents an increase of about 20% from the 1981 level. There was no silver used for coinage during 1982, or the previous year. Domestic mine production for 1982 amounted to 1,300,000 ounces, approximately the same as the previous year, and smelter production from foreign ores amounted to 12,600,000 ounces. There were no statistics available that could provide figures for silver recovered from scrap. However, we have reason to believe that about 8,000,000 ounces of silver resulting from scrap was recovered.

Imports in both refined and unrefined form totaled nearly 50,200,000 ounces, of which 11,800,000 ounces came from the United Kingdom; 4,500,000 ounces from Sweden; 3,300,000 ounces from Switzerland; 3,100,000 from the United States, and the balance of 27,500,000 ounces from various other countries. Exports amounted to an estimated 25,900,000 ounces with the principal countries of destination being Italy, the United Kingdom, Switzerland and the Netherlands.

France: Consumption of silver for industrial uses in France during 1982 amounted to about 18,600,000 ounces, approximately 10% lower than the previous year. There was no silver used for coinage in 1982 or 1981. Production amounted to 14,000,000 ounces, down 8% from 1981. Government stocks of nearly 2,900,000 ounces were virtually unchanged from the previous year.

Imports of silver into France during 1982 amounted to about 14,900,000 ounces, a decrease of approximately 3,200,000 ounces from our revised 1981 figure. The principal countries

from which silver arrived were Belgium, 2,900,000 ounces; United Kingdom, 2,700,000 ounces; Mexico, 2,900,000 ounces; and various other countries, the balance of 6,400,000 ounces. Exports totaling 11,700,000 ounces were down from the previous year's revised amount of 17,900,000 ounces. The principal countries to which silver was exported were the United Kingdom, 4,500,000 ounces; Spain, 4,200,000 ounces; and to various other countries, the balance of 3,000,000 ounces.

Canada: Production of silver in Canada during 1982 amounted to 38,700,000 ounces, an increase of 7% over the 1981 revised amount of 36,200,000 ounces. The country continues to be one of the largest producing nations in the non-Communist world. Silver consumed for industrial uses amounted to an estimated 9,000,000 ounces, an increase of 6% over 1981. Coinage consumption amounted to 300,000 ounces in 1982, approximately the same as the previous year.

Imports of silver into Canada during 1982 increased 49% to 15,600,000 ounces of which 10,700,000 ounces came from the United States. Exports for 1982 are estimated at 52,600,000 ounces, of which 30,600,000 ounces were shipped to the United States. This compares with a total of 47,000,000 ounces exported during the previous year.

Mexico: Silver production in Mexico in 1982 amounted to 43,000,000 ounces, a decrease of 5% from our revised figure of 45,300,000 ounces for 1981. Mexico has been replaced by Peru as the number one producing nation in the world. Industrial consumption in Mexico amounted to about 3,800,000 ounces, an increase of 19% over the 1981 level. Mexico did not mint any silver coins in 1982 or 1981. Government stocks at year-end amounted to approximately 18,800,000 ounces, an increase of 3,100,000 ounces during the year.

Mexico exported 43,000,000 ounces of silver during 1982. Approximately 11,200,000 ounces were shipped to Europe; the

United States received 25,600,000 ounces and Japan, 5,100,000 ounces.

Japan: We estimate that industrial consumption in Japan was about 60,100,000 ounces during 1982, of which 34,000,000 ounces were used by the photographic industry and 6,800,000 ounces by electrical contacts manufacturers. Total quantity consumed increased by about 1% from 59,800,000 ounces used in 1981. In the following table we have broken down our estimates of major categories of use for 1982 and 1981.

	1982		1981	
	Ounces (millions)	% of Total	Ounces (millions)	% of Total
Film	34.0	56.6	33.9	56.7
Nitrates	5.1	8.5	5.5	9.2
Contacts	6.8	11.3	6.3	10.5
Solder	3.5	5.8	3.1	5.2
Plating	2.2	3.7	2.4	4.0
Tube, Sheet, Bar & Wire	3.6	6.0	3.2	5.4
Silverware	1.3	2.1	1.2	2.0
Other	3.6	6.0	4.2	7.0
	60.1	100.0	59.8	100.0

Imports for the year in refined and unrefined form are estimated at 35,800,000 ounces, an increase of 3,800,000 ounces from the 1981 amount. The largest amount came from Japanese overseas mines which produced 20,500,000 ounces in 1982, up 1,700,000 ounces from 1981. Other sources were Mexico, 5,100,000 ounces; Peru, 3,500,000 ounces, and the balance of 6,700,000 ounces from all other countries.

Exports of silver for 1982 amounted to 2,800,000 ounces of which 2,300,000 ounces were shipped to the United States.

Once again, no silver was used in coinage and the government has no plans to mint coins containing silver in the future. Domestic production was about 8,900,000 ounces, a decrease of 4% from our figure of 9,300,000 ounces for 1981. Govern-

ment stocks are estimated to be nearly 2,000,000 ounces at the end of 1982, approximately the same as the amount held at the close of the previous year.

India: For many years India has been an important source of silver to world markets. However, silver is not produced in India and whatever silver is exported comes out of stocks which were accumulated through the centuries. The Government of India is conscious of this fact and hence they attempt to regulate the export of silver. On February 20, 1979, the government decided to ban export of silver, but nevertheless, we are advised that perhaps 12,500,000 ounces were shipped to world markets during 1982, a decrease of 2,000,000 ounces from the previous year. If prices remain at present levels, a continuing outflow of silver from India may reasonably be expected. Consumption of silver in India amounted to 22,500,000 ounces, an increase of 3,500,000 ounces over the previous year. This represents a total contribution in 1982 of 35,000,000 ounces to the market of the non-Communist world, compared to 33,500,000 ounces in 1981. It is not possible to verify the internal hoards of silver in India, but by all reports they are enormous and will continue to be an important factor for the indefinite future. Government monetary stocks of silver are reported to be 67,500,000 ounces at the end of 1982, which reflects no change during the year.

Summary of World Stocks

During 1982, the Bureau of Mines published a report prepared by Economic Consulting Services, Inc., Washington, D.C., entitled "The Price-Responsiveness of Secondary Silver," that report stated "It was determined that there are very large unreported stocks of silver bullion and coins in the United States which, under certain conditions, can become an important source of future incremental supply to the market. Both categories of private holdings were accumulated mainly as a result of an extraordinary series of U.S. Government policies over the period 1933 to 1970. The total volume of these unreported stocks is estimated to be 1.6 billion ounces at year-end 1980, an amount equivalent to 12 years of industrial demand at a 1981 annual rate of consumption. Of these stocks, roughly 61 percent are held rather widely among the general population in the form of coins, nearly all of which were acquired as a store of value during the period leading up to demonetization and coinciding with the withdrawal of silver coins from circulation. The remainder, in the form of bullion, is probably held by a more limited group of individuals, including speculative holders who actively trade silver in expectation of capital gains."

The following table summarizes on a world-wide basis, excluding Communist countries, reported and unreported stocks of silver both in bullion and coin. In some cases, figures are available from published reports, both governmental and private. In the case of "Stocks of foreign governments," only partial information is reported. "Conjectural stocks" were determined by reference to the Bureau of Mines study referred to above and information obtained from private sources.

	(millions of ounces)		
	1982	1981	Increase (Decrease)
Reported private stocks.			
New York Commodity Exchange	90.7	77.6	13.1
Chicago Board of Trade	15.8	15.5	.3
London Metal Exchange	35.0	32.2	2.8
Industry stocks in U.S.	21.0(a)	20.7	.3
Total	162.5	146.0	16.5
U.S. Government stocks:			
U.S. Strategic Stockpile	137.5	137.5	—
U.S. Treasury (Mint)	36.7(a)	38.8	(2.1)
Total	174.2	176.3	(2.1)
Stocks of foreign governments (estimated)	150.0	150.0(b)	—
Conjectural stocks:			
Unreported bullion stocks in the U.S. and abroad	770.0	750.0(b)	20.0
U.S. silver coins potentially available.	852.0	855.0(b)	(3.0)
Foreign silver coins potentially available	25.0	25.0	—
Total	1,647.0	1,630.0	17.0
Total World Silver Stocks	2,133.7	2,102.3	31.4

(a) As of September 30, 1981

(b) 1981 figures have been revised

The Outlook

The silver market has been dominated by speculative activity and has been subjected to continuous and violent fluctuations for the past ten years. During this period the price dipped as low as $1.96 an ounce in 1973 and soared to a spectacular all-time high of $48.00 an ounce in 1980. The fundamental political and monetary uncertainty which have created this excessive speculation have not been corrected, but the problems are receiving increasing international attention. Furthermore, governmental and Commodity Exchange controls in the United States on trading in contracts for silver futures should prevent recurrence of some of the excesses we experienced in 1979 and 1980.

The basic purpose of the silver market is to provide a mechanism whereby material may be moved by economic transactions from producers to industrial users. The balance of supply and industrial demand of the silver market changed substantially in mid-1979 when the price rose to over $8.00 per ounce. Since that time, silver supplied from new mine production and secondary sources (excluding coin) has exceeded industrial consumption. This represents a reversal of the market conditions which existed during the previous 25 years. Throughout that period of time, silver was in an increasingly strong position. World demand for industrial uses alone, not including coinage, consistently exceeded new mine production and silver produced from secondary sources such as scrap. The balance was obtained from ever-dwindling above-ground accumulations of bullion and demonetized coins. World silver consumption in 1982 was 20% lower than the 1978 level, while silver supplied from new production and scrap remained approximately the same. Accordingly, for the last three years industrial consumers of silver have been able to meet their needs without looking to speculative accumulations as a

source. In fact, we estimate that private investors added nearly 200,000,000 ounces of silver to their holdings during the last three years; the accumulation now exceeds 930,000,000 ounces of refined bullion.

These stocks are not the only source over and above new production from which silver may be obtained in the future. There are a number of other significant sources of secondary silver potentially available. The largest source is the old United States 90% silver coins which have virtually disappeared from circulation. We estimate that as much as 850,000,000 ounces of silver are still available from this source depending on price inducement. Also, the U.S. Government may resume sales of silver from the strategic stockpile and silver is continuing to flow into the world market from India. Regardless of the exact figures, the existence of these massive stocks, even though not pressed for sale, can be expected to exert somewhat of a restraining influence on any upward price trend.

There may well be some moderation in worldwide inflation, but there is little evidence that it will be brought under control. Also, the widespread lack of confidence in world currencies and international monetary uncertainty will probably continue and may well intensify in 1983. These conditions create flights from currencies in general, primarily into gold but also very importantly into silver.

There is no way of anticipating how the market is going to react to any particular situation. This has been amply demonstrated over the past four years, but barring major unexpected developments we look for less volatile conditions in 1983. Furthermore, any improvement in industrial demand in 1983 will be readily accommodated by available supplies, hopefully at prices which will prove on the average to be reasonably near recent levels.

To summarize our conclusions, there will continue to be ample supplies of silver in the future as in the past, for industrial needs, and while we foresee another year of price fluctuations, we believe that conditions exist which might make price fluctuations less volatile than in the past four years. The speculator and investor have been major market factors for a number of years and still hold the key to the future course of silver prices.

STATISTICAL TABLES

World Silver Consumption

(excluding Communist-dominated areas)
(millions of ounces)

	1982	1981	1980	1979	1978
Industrial uses:					
United States	122.3	116.6	124.7	157.2	160.2
Canada	9.0	8.5	8.7	8.1	9.0
Mexico	3.8	3.2	3.1	5.5	5.8
United Kingdom	20.0	18.5	20.5	26.5	29.0
France	18.6	20.6	20.2	21.5	22.2
West Germany	33.6	28.0	29.1	37.1	47.2
Italy	23.0	24.7	24.5	33.0	41.8
Japan	60.1	59.8	61.7	68.7	64.8
India	22.5	19.0	19.0	19.0	20.0
Belgium	15.1	16.2	15.7	16.8	16.8
Other countries	29.2	29.0	22.7	26.4	25.8
Total industrial uses	357.2	344.1	349.9	419.8	442.6
Coinage:					
United States	1.5	—	.1	.1	.1
Canada	.3	.2	.2	.3	.3
Austria	4.0	3.0	4.3	5.0	4.5
France	—	—	—	7.7	11.1
West Germany	—	—	—	3.7	3.6
Mexico	—	—	6.1	5.0	6.3
Other countries	6.0	5.8	3.0	6.0	10.4
Total coinage	11.8	9.0	13.7	27.8	36.3
Total consumption	369.0	353.1	363.6	447.6	478.9

NOTE: Figures for 1982 are preliminary. Some of the figures for 1978 through 1981 as published in last year's Review have been revised.

World Silver Supplies

(excluding Communist-dominated areas)

(millions of ounces)

	1982	1981	1980	1979	1978
New production:					
Western Hemisphere:					
United States	35.9	40.7	31.3	38.1	39.4
Canada	38.7	36.2	34.4	36.9	40.2
Mexico	43.0	45.2	47.3	49.4	50.8
Peru	44.4	46.9	42.9	41.9	37.0
Other countries	24.0	22.0	23.1	21.8	23.3
Total	186.0	191.0	179.0	188.1	190.7
Outside the Western Hemisphere:					
Australia	25.0	25.6	24.1	25.8	24.9
Other countries	54.0	55.0	51.7	52.8	52.9
Total	79.0	80.6	75.8	78.6	77.8
Total new production	265.0	271.6	254.8	266.7	268.5
Secondary sources of supply:					
From U.S. Government	2.1	2.1	.1	.1	.1
From stocks of foreign gov'ts	8.0	2.0	5.2	3.1	8.4
From demonetized coin	13.0	12.0	55.0	25.5	14.0
From Indian stocks	35.0	33.5	44.7	33.5	45.5
Old scrap and other misc. sources	81.0	105.0	121.5	80.5	96.5
Liquidation of (additions to) private bullion stocks	(35.1)	(73.1)	(117.7)	38.2	45.9
Total other supplies	104.0	81.5	108.8	180.9	210.4
Available for World Consumption	369.0	353.1	363.6	447.6	478.9

NOTE: Figures for 1982 are preliminary. Some of the figures for 1978 through 1981 as published in last year's Review have been revised.

United States Industrial Consumption Of Silver by End Use

(millions of ounces)

	1982	1981	1980	1979	1978
Electroplated ware	3.4	3.9	4.4	8.1	7.3
Sterling ware	7.8	4.4	9.1	13.0	17.9
Jewelry	6.4	5.4	5.9	5.3	6.8
Photographic materials	52.1	51.0	49.8	66.0	64.3
Dental and medical supplies	1.7	1.7	2.2	2.3	2.0
Mirrors	1.0	.6	.7	1.9	1.9
Brazing alloys and solders	6.2	7.7	8.5	10.9	11.0
Electrical and electronic products:					
Batteries	4.4	3.8	6.0	4.6	6.0
Contacts and conductors	28.7	26.4	27.8	33.5	30.8
Bearings	.3	.3	.6	.3	.4
Catalysts	2.4	3.8	3.0	5.6	8.2
Coins, medallions and commemorative objects	3.4	2.6	4.6	4.7	2.7
Miscellaneous	4.4	5.0	2.1	1.0	.9
Total Industrial Consumption	122.3	116.6	124.7	157.2	160.2

NOTE: Based on data from Mineral Industry Surveys for gold and silver, published by Bureau of Mines, United States Department of the Interior.

Imports of Silver Into the United States

(millions of ounces)

	1982	1981	1980	1979	1978
Imported from:					
Canada	30.6	34.0	31.1	26.6	41.9
Mexico	25.6	22.1	14.6	25.3	18.9
Peru	16.0	23.0	18.1	19.8	17.1
Other Western Hemisphere countries	6.0	6.8	3.0	3.2	3.0
Total Western Hemisphere	78.2	85.9	66.8	74.9	80.9
All other countries	21.6	8.2	11.9	17.4	4.7
Total Imports	99.8	94.1	78.7	92.3	85.6

Exports of Silver From the United States

(millions of ounces)

	1982	1981	1980	1979	1978
Exported to:					
Canada	10.7	10.5	8.6	2.7	1.2
United Kingdom	7.2	8.7	30.5	8.0	6.1
Japan	2.3	4.0	4.6	7.1	7.7
West Germany	3.1	.3	5.6	.7	2.7
Switzerland	.5	1.0	15.8	10.0	.5
All other countries	2.2	3.4	15.8	7.1	4.2
Total Exports	26.0	27.9	80.9	35.6	22.4

NOTE: Figures for 1982 are preliminary. Some of the figures for 1978 through 1981 as published in last year's Review have been revised.

Silver Quotations

	NEW YORK (Handy & Harman)			LONDON (Daily Fixing)		
	High	Low	Average	High	Low	Average
1982 . . .	1121.000¢	488.500¢	794.728¢	685.150p	285.100p	455.331p
1981 . . .	1645.000	795.000	1051.837	671.200	412.800	515.234
1980 . . .	4800.000	1080.000	2063.157	2165.050	467.800	900.662
1979 . . .	2800.000	596.100	1109.378	1446.850	296.400	508.561
1978 . . .	629.600	482.900	540.089	311.200	250.000	282.203
1977 . . .	496.000	430.000	462.302	289.700	246.900	265.538
1976 . . .	510.000	381.500	435.346	282.150	189.050	242.420
1975 . . .	522.500	391.000	441.852	248.100	167.100	200.115
1974 . . .	670.000	327.000	470.798	293.000	141.900	199.898
1973(a) .	328.000	196.200	255.756	140.200	82.900	103.787

(a) The 60 day general price freeze in effect from June 13, 1973, through August 12, 1973, forced intermittent suspension of Handy & Harman's daily quotation during July and August for a total of 22 days.